



# THE LENDER'S ADVANTAGE

*A Joint Publication of the Des Moines District Office and the Cedar Rapids Branch Office*

NOVEMBER 2010

## **INFORMATION**

**Des Moines District Office**  
210 Walnut Street, Rm. 749  
Des Moines, IA 50309-2186  
(515) 284-4422  
(515) 284-4572 (Fax)  
[www.sba.gov/ia](http://www.sba.gov/ia)

Joseph M. Folsom  
District Director  
(515) 284-4026  
[joseph.folsom@sba.gov](mailto:joseph.folsom@sba.gov)

**Cedar Rapids Branch Office**  
2750 1<sup>st</sup> Ave. NE – Ste. 350  
Cedar Rapids, IA 52402  
(319) 362-6405  
(319) 362-7861 (Fax)

Dennis Larkin  
Branch Manager  
(319) 362-6405 ext. 2020  
[G.D.Larkin@sba.gov](mailto:G.D.Larkin@sba.gov)

### **Standard 7(a) Loan Guaranty Processing Center**

6501 Sylvan Road  
Citrus Heights, CA 95610  
Phone: (916) 735-1960  
ext. 4368  
Fax: (916) 735-1975  
or  
(916) 735-1680

### **OR**

262 Black Gold Blvd.  
Hazard, KY 41701  
Phone: 606-436-0801  
ext. 229  
Fax: (606) 435-2400  
E-mail:  
[loanprocessing@sba.gov](mailto:loanprocessing@sba.gov)

**Fresno Servicing Center**  
Fresno, CA  
(559) 487-5650  
(559) 487-5803 Fax

**Liquidation & Purchase  
Center**  
Herndon, VA  
(703) 487-9283  
(202) 481-4674 Fax

**504 & PLP Processing  
Center**  
6501 Sylvan Road  
Citrus Heights, CA 95610  
(916) 930-2463 or 930-2460  
(916) 930-2160 FAX

*All SBA programs and  
services are provided on  
a nondiscriminatory basis.*

## Deputy District Director Tom Harbison to Retire

Dear Lender –

With time, change is inevitable. That being so, a change is coming in my tenure with the Small Business Administration with my retirement on December 31.

It has been a great experience and privilege working with many of you over the last 21 years. Your use of our loan programs has shown your strong interest in building growth and prosperity in your communities. Use of our Resource Partners has made for stronger businesses, many of which continue to grow despite economic setbacks. In addition, your encouragement to businesses to consider expanding their operations to include contracting, if applicable, with Federal, State, and local governments has certainly been appreciated. And your feedback on our programs has been timely and important.

I remember the times when we have worked together on financing new businesses, on changes of ownership for different businesses that are always important to your community, on a growing company with needs to finance that growth, on my opportunity to speak to you at the annual IBA Group meetings over many years, your openness and consideration when I visited with you in your bank, and for your attendance at our periodic trainings and program updates. My wish is that you continue to use our programs to assist you, your customers and your communities as the need arises.

I am hopeful that in the future, our paths will cross again, but in any case, I certainly appreciate the opportunity to work with you and your organization and the relationships we have built. One of my main goals in this job has always been to make our programs a user friendly tool you can use. Hopefully this has been the case and you will continue to find opportunities to use SBA. Thank you!!

- Tom Harbison, Deputy District Director

Dear Lender -

I want to take a moment to extend my best wishes, thanks and appreciation to Tom Harbison for his service to you, our partners, the small businesses of this state and to SBA as he transitions into retirement at the end of this year. He has been a valued coworker and friend to me over the past six-plus years. We will miss him. A reception for Tom is planned for December 21<sup>st</sup> from 2-4:00 pm in Des Moines, Room 779 of the Federal Building at 210 Walnut St.

The provisions of the Small Business Jobs Act of 2010 providing for the 90% guarantee and fee waivers on 504 and most 7(a) loans is set to expire on December 31, 2010. This is a great opportunity to provide needed capital to qualified small business in your community. The higher loan limits of \$5 million will remain in effect and are permanent. Work is under way to implement a number of new and revised provisions such as the dealer floor plan pilot and an intermediary facilitated microloan program. A reminder SBA Express loans received a temporary increase under the Act from \$350,000 to \$1 million through September 27, 2012.

Look for a revamped, more user friendly SBA website at [www.sba.gov](http://www.sba.gov) on or shortly after December 1, 2010. SBA and Google have partnered to launch a "Tools for Online Success" website at <http://www.google.com/help/places/partners/sba/index.html>. Check it out and encourage your small business customers looking at online marketing to look it over.

If you have not submitted your Small Business Week award nominations please do so as soon as possible. This is a great way to recognize small businesses and those who have championed small business in your community. If you have any questions please contact Dave Lentell at (515) 284-4522 or [thomas.lentell@sba.gov](mailto:thomas.lentell@sba.gov)

- Joseph M. Folsom, District Director

## Overview of SBA's Environmental Review Requirements on Real Estate

Often an SBA loan approval will require commercial real estate as security. When taking such security, the issue of possible environmental contamination requires attention.

The SBA Loan Authorization provides that, prior to disbursement, you have:

- 1) Completed the review for potential environmental contamination required in SOP 50-10(5) ("Environmental Investigation") on each business real property site taken as collateral, and;
- 2) Minimized the risk from any adverse environmental findings discovered in the Environmental Investigation, or otherwise, as required by SOP 50-10(5), Subpart "B", Chapter

4 (Environmental Policies and Procedures) and applicable appendices.

What does this mean? Here is a summary of our guidance:

- 1) Determine the NAICS code for the property's current and known prior uses. A complete list of industries and corresponding NAICS codes is at <http://www.census.gov/naics/2007/NAICOD07.HTM>.
- 2) Match them against SBA's list of environmentally sensitive industries (SOP 50 10 5(C) Appendix 4).
- 3) Assuming your borrower's business is NOT on the list of "environmentally sensitive" industries, look at the loan amount. For loans up to

and including \$150,000, begin with an environmental questionnaire.

- 4) For loans over \$150,000, you may start with an **Environmental Questionnaire and Records Search with Risk Assessment**. Appendix 2 of the SOP 50 10 5(C) defines both. The "Environmental Questionnaire" can be completed by you, and should cover the items included in the definition. The Records Search with Risk Assessment" is also defined in appendix 2. It is a records search that must be done by an "Environmental Professional."

In the event that further environmental examination is required, that is spelled out in the SOP as well.

## SBA Lender Activity Report for OCTOBER

| LENDER NAME               | LOCATION       | # | AMOUNT      |
|---------------------------|----------------|---|-------------|
| CEDAR RAPIDS BANK & TRUST | CEDAR RAPIDS   | 7 | \$3,144,200 |
| GREAT WESTERN BANK        | IOWA           | 7 | \$2,383,000 |
| NORTHWEST BANK & TRUST    | DAVENPORT      | 6 | \$914,500   |
| LIBERTY BANK              | WDM            | 5 | \$1,767,500 |
| IOWA BUSINESS GROWTH CO.  | JOHNSTON       | 5 | \$1,276,000 |
| US BANK                   | IOWA           | 5 | \$281,600   |
| CLEAR LAKE BANK & TRUST   | CLEAR LAKE     | 4 | \$291,700   |
| VALLEY BANK               | ILLINOIS       | 3 | \$2,337,100 |
| KERNDT BROS. SVGS BANK    | LANSING        | 2 | \$3,100,000 |
| OHNSWARD BANK & TRUST     | CASCADE        | 2 | \$1,685,000 |
| CITIZENS STATE BANK       | MONTICELLO     | 2 | \$1,087,900 |
| ECIA BUSINESS GROWTH      | DUBUQUE        | 2 | \$1,063,000 |
| HERITAGE BANK             | HOLSTEIN       | 2 | \$944,000   |
| FARMERS STATE BANK        | WATERLOO       | 2 | \$436,000   |
| PEOPLES SAVINGS BANK      | WELLSBURG      | 2 | \$310,000   |
| FIRST NATIONAL BANK       | WAVERLY        | 2 | \$254,000   |
| COMMUNITY SAVINGS BANK    | EDGEWOOD       | 2 | \$250,000   |
| FARMERS STATE BANK        | MARION         | 2 | \$217,000   |
| HILLS BANK AND TRUST CO.  | HILLS          | 2 | \$192,000   |
| GREAT SOUTHERN BANK       | MISSOURI       | 2 | \$150,000   |
| PIONEER BANK              | SERGEANT BLUFF | 1 | \$1,681,300 |
| EARLHAM SAVINGS BANK      | WDM            | 1 | \$1,666,300 |

| LENDER NAME                | LOCATION     | # | AMOUNT      |
|----------------------------|--------------|---|-------------|
| FIRST CHATHAM BANK         | GEORGIA      | 1 | \$1,427,000 |
| SIOUXLAND ECON. DEV. CORP. | SIOUX CITY   | 1 | \$1,244,000 |
| WEST BANK                  | WDM          | 1 | \$1,125,000 |
| LEIGHTON STATE BANK        | PELLA        | 1 | \$950,000   |
| FREEDOMBANK                | ELKADER      | 1 | \$835,000   |
| CENTRAL BANK               | STORM LAKE   | 1 | \$825,900   |
| SECURITY STATE BANK        | RADCLIFFE    | 1 | \$637,700   |
| CITIZENS STATE BANK        | SHELDON      | 1 | \$425,000   |
| MIDWESTONE BANK            | CONRAD       | 1 | \$425,000   |
| SMALL BUS. GROWTH CORP     | ILLINOIS     | 1 | \$285,000   |
| HEDRICK SAVINGS BANK       | OTTUMWA      | 1 | \$250,000   |
| SECURITY SAVINGS BANK      | LARCHWOOD    | 1 | \$220,000   |
| CITIZENS FIRST BANK        | CLINTON      | 1 | \$191,700   |
| HEARTLAND BANK             | SOMERS       | 1 | \$150,000   |
| SECURITY SAVINGS BANK      | EAGLE GROVE  | 1 | \$150,000   |
| CITY STATE BANK            | NORWALK      | 1 | \$145,000   |
| EXCHANGE STATE BANK        | ADAIR        | 1 | \$118,500   |
| QUAD CITY BK & TR CO       | BETTENDORF   | 1 | \$100,000   |
| AMERICAN BANK              | LE MARS      | 1 | \$76,200    |
| FIRST CENTRAL STATE BANK   | DE WITT      | 1 | \$24,000    |
| BRIDGE COMMUNITY BANK      | MOUNT VERNON | 1 | \$20,000    |

*The following lenders were participant lenders in the SBA's 504 Loan Program in Iowa during the month of OCTOBER*

| LENDER NAME                   | LOCATION   | # | AMOUNT      |
|-------------------------------|------------|---|-------------|
| 1 <sup>ST</sup> NATIONAL BANK | CRESTON    | 2 | \$855,734   |
| IOWA STATE BANK               | HULL       | 1 | \$1,761,250 |
| LIBERTY TRUST & SAVINGS       | DURANT     | 1 | \$1,249,927 |
| CLEAR LAKE BANK & TRUST       | CLEAR LAKE | 1 | \$433,000   |

| LENDER NAME              | LOCATION    | # | AMOUNT    |
|--------------------------|-------------|---|-----------|
| BLACK HAWK BANK & TRUST  | DAVENPORT   | 1 | \$350,000 |
| COMMUNITY STATE BANK     | WEST BRANCH | 1 | \$220,000 |
| FIRST CENTRAL STATE BANK | LECLAIRE    | 1 | \$207,500 |
| CITY STATE BANK          | NORWALK     | 1 | \$185,060 |